

*California Public
Employees'
Retirement System*



**1959 SURVIVOR
BENEFIT
PROGRAM**

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While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The retirement law is complex and subject to change. Therefore, if there is a conflict between the law and this booklet, any decisions will be based on the law.

Description of the Benefit

The 1959 Survivor Benefit provides a monthly allowance to eligible survivors of members who were covered for this benefit program and died *before* retirement. This benefit coverage is available by contract amendment for those members who are not covered by federal Social Security with their employer. Covered members are required to pay a \$2 monthly fee that is deducted from their salary specifically to fund the 1959 Survivor Benefit Program.

The 1959 Survivor Benefit allowance is payable in addition to any other pre-retirement death benefit paid by CalPERS, with the exception of the Special Death Benefit. If the 1959 Survivor Benefit is greater than the Special Death Benefit, then the difference is paid as the 1959 Survivor Benefit. Please refer to your CalPERS Member Benefit Booklet for information on the Special Death Benefit and other pre-retirement death benefits.

Upon a member's pre-retirement death, the respective employer and surviving spouse or dependent children are encouraged to immediately contact CalPERS for assistance.

Currently, there are four different benefit levels. The applicable level depends on the contract the employer has with CalPERS.

County School members are covered at Level 3.

State of California, University of California, and California State University members are covered at Level 2 or 3, depending on their collective bargaining unit's agreement. Unrepresented State employees are covered at Level 3.

Local public agency members (city, county or special district) may be covered by any of the four levels, depending on their agency's contract with CalPERS.

Please refer to the following chart to determine the amounts payable under each level depending on the number of eligible survivors:

MONTHLY BENEFIT LEVELS			
BENEFIT LEVEL	ONE SURVIVOR	TWO SURVIVORS	THREE OR MORE SURVIVORS
LEVEL 1*	\$180	\$360	\$430
LEVEL 2*	\$225	\$450	\$538
LEVEL 3	\$350	\$700	\$840
LEVEL 4	\$950	\$1,900	\$2,280
* These levels are closed for new agency contract amendments after January 1, 1994			

Eligible Survivors

SPOUSE: A surviving spouse is a husband or wife who was legally married to the member either

one year before the member's death, or before the occurrence of the injury or onset of the illness that resulted in the member's death. A surviving spouse is entitled to the 1959 Survivor Benefit as long as they have care of an eligible child, OR is at least age 62 (age 60 at Level 4).

IMPACT OF REMARRIAGE:

State & Schools—A surviving spouse may remarry and continue to receive his or her allowance.

Local Agency—If the employer contracts with CalPERS for the remarriage rights provided in Government Code section 21551, a surviving spouse may remarry and continue to receive his or her allowance.

If the contracting local agency does not provide remarriage rights, the spouse may elect a 25 percent reduction to his or her allowance, thereby continuing to receive the reduced allowance upon remarriage. That election must be made prior to remarriage and within 24 months following the member's death.

If the contracting local agency does not provide remarriage rights AND the surviving spouse does not elect the reduced allowance, he or she will LOSE entitlement upon remarriage.

CHILDREN: An unmarried child of the member, or an unmarried stepchild (if the child was living with the member in a parent-child relationship) is eligible for benefits while under age 22. An unmarried child incapacitated because of a

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disability which began before attaining age 22 may be entitled to the benefit until the disability ends. If a child is in the care of a guardian or is living on their own, the child's portion of the benefit is payable to the guardian or to the child directly, rather than to the surviving spouse.

PARENTS: A parent may be eligible if there is no surviving spouse or eligible children, and the parent(s) was dependent on the member for at least half of his or her support at the time of the member's death.

Taxability Of The Benefit

For specific tax questions, please call CalPERS or your tax adviser.

The 1959 Survivor Benefit is a taxable allowance and will be reported by CalPERS to the tax authorities each year on a Form 1099R.

Some surviving spouses are subject to a mandatory 20 percent federal withholding on all or a portion of their 1959 Survivor Benefit allowance.

If the 20 percent federal withholding applies, a spouse may avoid the withholding if he or she elects to have the allowance directly rolled over into an individual retirement account (IRA). A form to elect a rollover will be provided at the time benefits are payable if the payee is subject to the mandatory 20 percent withholding.

All or a portion of the allowance may be rolled over to an IRA, or else be subject to 20 percent withholding, under the following circumstances:

The entire allowance is subject to 20 percent withholding, or may be rolled over to an IRA, if the payee is a surviving spouse who has care of children who will all turn age 22 in less than 10 years from the effective date of the allowance.

A portion of the allowance is subject to 20 percent withholding, or may be rolled over to an IRA, if; 1.) the payee is a surviving spouse who has care of at least two children, and; 2.) the payee will have care of only one eligible child in less than 10 years from the effective date of the allowance.

The 20 percent withholding does not apply when a spouse receives the allowance at age 60 or 62.

In any case, the surviving spouse is encouraged to call CalPERS for answers regarding their specific tax questions.

FOR MORE INFORMATION, OR IF YOU HAVE QUESTIONS

The CalPERS staff is available to assist in providing detailed information concerning this benefit.

Contact: Benefit Services Division
P. O. Box 942711; Sacramento, CA 94229-2711
(800) 352-2238; (916) 326-3848
FAX – (916) 326-3934; TDD – (916) 326-3240
Internet address: www.calpers.ca.gov

